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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
THE COLLEGE OF NEW ROCHELLE,	:	Case No. 19-23694 (RDD)
Debtor.	:	

CHAPTER 11 PLAN OF THE COLLEGE OF NEW ROCHELLE

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INTRODUCTION

The College of New Rochelle (the "Debtor") proposes the following Chapter 11 Plan. The Plan provides for the resolution of all Claims against the Debtor in the Chapter 11 Case.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings and effect as set forth below.

1. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Debtor's Estate pursuant to Sections 503(b) or 507(a)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estate incurred after the Petition Date and through the Effective Date; (b) Claims of Professionals in the Chapter 11 Case; (c) fees and charges assessed against the Estate pursuant to chapter 123 of the Judicial Code, including the U.S. Trustee Fees.

2. "*Administrative Claims Bar Date*" means the first Business Day that is thirty (30) days following the Effective Date of the Plan.

3. "*Allowed*" means with reference to any Claim, (a) any Claim against the Debtor that has been listed on its Schedules (as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009) as liquidated in amount and not Disputed or contingent and for which (1) no contrary Proof of Claim has been Filed, (2) no objection to allowance, request for estimation, or other challenge has been interposed, or (3) no motion to deem the Schedules amended has been Filed, (b)(1) any Proof of Claim that is timely Filed by the applicable Claims Bar Date, as to which no litigation (whether stayed or unstayed) is pending and to which no objection or other challenge has been or is interposed in accordance with the Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or the Bankruptcy Court, if any, and (2) any Claim that is not subject to any applicable Claims Bar Date, as to which no objection or other challenge has been or is interposed in accordance with the Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, if any, (c) any Claim expressly allowed by a Final Order or under the Plan, (d) any Claim that is compromised, settled, or otherwise resolved pursuant to a Final Order or under the Plan, but only to the extent provided therein, (e) any Claim that is not otherwise subject to disallowance under Section 502 of the Bankruptcy Code or that has not been Disallowed, (f) any Claim arising from the recovery of property in accordance with Sections 550 and 553 of the Bankruptcy Code and allowed in accordance with Section 502(h) of the Bankruptcy Code (unless such Claim is otherwise Disputed), or (g) any Claim allowed by stipulation approved by the Bankruptcy Court. Except as otherwise provided in the Plan, for purposes of determining the amount of an "Allowed Claim," there shall be deducted therefrom an amount equal to the amount of any Cause of Action that the Debtor may hold against the Holder thereof, to the extent such Cause of Action may be offset pursuant to applicable non-bankruptcy law or subject to recoupment.

Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder unless otherwise specified herein or by a Final Order of the Bankruptcy Court. For any purpose under the Plan, unless specifically provided for herein, a Claim that has been Allowed shall not include amounts constituting interest, penalties, or late charges arising from or relating to the period from and after the Petition Date. Any Claim that has been or is hereafter listed in the Schedules as Disputed, contingent, or unliquidated for which no Proof of Claim has been timely Filed and which is not included in subparts (a)-(g) herein, is not considered an Allowed Claim and shall be expunged and Disallowed without further action by the Debtor and without any further notice to or action, order, or approval of the Bankruptcy Court.

4. "*Annuity Account*" means the segregated investment account maintained by the Debtor into which the actuarial value of the Annuity Claims are maintained, which contained $601,890.58 as of the Petition Date.

5. "*Annuity Claims*" mean the distributions required to be made to donors who made donations pursuant to Gift Annuity Agreements executed between the donors and the Debtor.

6. "*Assets*" means any and all personal property owned by the Debtor, any Causes of Action held by the Debtor, any monies to which the Debtor is or may be entitled by virtue of bequests, and the excess in any the Annuity Account, the Student Refund Account, the Perkins Account and the Nursing Account after the payment of Annuity Claims, Student Refund Claims, Perkins Claims and Nursing Claims.

7. "*Ballot*" means the ballot distributed to each eligible Holder of a Claim in the Voting Classes by the Balloting Agent, on which ballot such Holder of a Claim may, *inter alia*, vote for or against the Plan.

8. "*Ballot Deadline*" means the date and time set forth by the Bankruptcy Court by which the Balloting Agent must receive all Ballots.

9. "*Balloting Agent*" means Kurtzman Carson Consultants, the Noticing and Claims Agent retained by the Debtor.

10. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as applicable to the Chapter 11 Case, as may be amended from time to time.

11. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 Case, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to Section 151 of title 28 of the United States Code, the United States District Court for Southern District of New York.

12. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Case, promulgated under Section 2075 of the Judicial Code and the

general, local, and chambers rules of the Bankruptcy Court, as may be amended from time to time.

13. "*Beneficiaries*" means the beneficiaries of the Liquidation Trust with any right to receive distributions of the Distribution Fund.

14. "*Budget*" means the initial budget and all subsequent budgets approved as part of the DIP Order.

15. "*Business Day*" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

16. "*Campus*" means the Debtor's real property located at 215 Liberty Avenue, 226 Liberty Avenue and 33-55 Leland Avenue/Castle Place (a/k/a 29 Castle Place and 53 Castle Place), New Rochelle, New York.

17. "*Cash*" means the legal tender of the United States of America or the equivalent thereof.

18. "*Causes of Action*" means any Claim, cause of action (including avoidance actions), controversy, right of setoff, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, demand, debt, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, Secured or unsecured, assertible directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort (including fraud), in law or in equity, or pursuant to any other theory of law, including violations of state or federal securities laws.

19. "*Chapter 11 Case*" means the chapter 11 case commenced by the Debtor, which is currently pending before the Bankruptcy Court.

20. "*Claim*" shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

21. "*Claims Bar Date*" means January 15, 2020, the deadline by which a Proof of Claim must be or must have been Filed, as established by order of the Bankruptcy Court entered on December 3, 2019.

22. "*Claims Objection Bar Date*" means the date that is 120 days after the Effective Date of the Plan or such later date as may be fixed by order of the Bankruptcy Court.

23. "*Claims Register*" means the official register of Claims.

24. "*Class*" means a category of Holders of Claims as set forth in Article III of the Plan in accordance with Section 1122(a) of the Bankruptcy Code.

25. "*Committee*" means the Official Committee of Unsecured Creditors of appointed by the Office of the United States Trustee on October 30, 2019 consisting of Dr. Susan Canning, CulinArt, Inc. and Industry and Local 338 Pension Fund.

26. "*Confirmation*" means the entry on the docket of the Confirmation Order.

27. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order (within the meaning of Bankruptcy Rules 5003 and 9021).

28. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code.

29. "*Confirmation Objection Deadline*" means the deadline for Filing objections to Confirmation of the Plan.

30. "*Confirmation Order*" means an order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

31. "*Cure Obligations*" means all (a) amounts required to cure any monetary defaults and (b) other obligations required to cure any non-monetary defaults (the performance required to cure such non-monetary defaults (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) and the timing of such performance will be described in reasonable detail in a notice of proposed assumption and assignment) under any Executory Contract or Unexpired Lease that is to be assumed and assigned by the Debtor pursuant to Sections 365 or 1123 of the Bankruptcy Code.

32. "*Debtor*" is defined in the Introduction.

33. "*Debtor Parties*" means the Debtor, the Chief Restructuring Officer, Interim Chief Restructuring Officer, the Liquidation Trustee and each of their officers, trustees, members, managers, partners, attorneys, predecessors, successors, representatives, assigns, agents, employees, administrators, and all persons acting by, through, or in any way on behalf of them.

34. "*Diminution Claim*" means the diminution in value from and after the Petition Date of the valid, enforceable and non-avoidable interest of a Holder of a Claim in the pre-petition Assets of the Debtor.

35. "*DIP Lender*" means SummitBridge National Investment VII LLC.

36. "*DIP Loan*" means the loan in the amount of up to $4,000,000 made by the DIP Lender to the Debtor as approved by Order of the Bankruptcy Court dated October 21, 2019.

37. "*DIP Motion*" means the motion filed by the Debtor on September 20, 2019 [Docket No. 7] seeking approval of the DIP Loan as well as the use of cash collateral.

38. "*DIP Order*" means the interim order dated September 27, 2019 [Docket No. 51] and final order dated October 21, 2019 [Docket No. 104] approving the DIP Motion.

39. "*Disallowed*" means any Claim that is not or that is no longer Allowed.

40. "*Disclosure Statement*" means the disclosure statement relating to the Plan, as amended, supplemented, or modified from time to time, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

41. "*Disclosure Statement Approval Order*" means the Order approving the Disclosure Statement relating to the Plan and approving certain procedures for solicitation of votes on such Plan and granting related relief.

42. "*Disputed*" means, with respect to any Claim, any Claim that is not yet Allowed, and shall include any Claim that is designated as disputed pursuant to the Plan.

43. "*Disputed Claims Reserve*" means the reserve to be created by the Liquidation Trustee for the benefit of Holders of subsequently Allowed Claims for distribution according to the procedures set forth in Article VI and Article VII.

44. "*Distribution Date*" means the date that is six (6) months from the Effective Date, and each date that is one (1) year thereafter except more or less frequent distributions may be made in the sole discretion of the Debtor or the Liquidation Trustee.

45. "*Distribution Fund*" means (a) the net proceeds of the sale or liquidation of any Assets owned by the Debtor except the Sale of the Campus; (b) the net proceeds of any accounts receivable due to the Debtor, (c) any amounts remaining in in the Student Refund Account, Annuity Account, Perkins Account and Nursing Account after payment of Allowed Student Refund Claims, Annuity Claims, Perkins Claims and Nursing Claims, and (d) the net proceeds of any Causes of Action.

46. "*Effective Date*" means the date that the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect and (b) all conditions precedent specified in Article IX.B of the Plan have been satisfied or waived, in accordance with Article IX.C of the Plan.

47. "*Entity*" shall have the meaning set forth in Section 101(15) of the Bankruptcy Code.

48. "*Estate*" means the estate created for the Debtor on the Petition Date pursuant to Sections 301 and 541 of the Bankruptcy Code, which shall include the estate on and after the Confirmation Date.

49. "*Exculpation*" means the exculpation provision set forth in Article VIII.D of the Plan.

50. "*Executory Contract*" means a contract to which the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

51. "*Federal Judgment Rate*" means the federal judgment rate in effect as of the Petition Date.

52. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Case with the Bankruptcy Court.

53. "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules, may be filed relating to such order shall not prevent such order from being a Final Order.

54. "*General Release*" means the release provisions set forth in Article VIII.C of the Plan.

55. "*General Unsecured Claim*" means any Claim against any Debtor that is not: (a) an Administrative Claim; (b) a Professional Fee Claim; (c) a Priority Tax Claim; (d) an Other Priority Claim; (e) an Allowed Pre-Petition Lender Secured Claim; (f) an Allowed Taxing Authority Secured Claim; (g) an Allowed Other Secured Claim; (h) an Allowed Student Refund Claim; (i) an Allowed Annuity Claim; (j) an Allowed Perkins Claim; (k) an Allowed Nursing Claim; (l) an Allowed Secured Deficiency Claim; or (m) an Allowed Penalty Claim. General Unsecured Claims shall include any deficiency owed to the Pre-Petition Lenders and the Taxing Authorities after application of the proceeds of the Sale of the Campus to such Claims, except to the extent such deficiency Claim is a Secured Deficiency Claim.

56. "*Governmental Unit*" shall have the meaning set forth in Section 101(*27*) of the Bankruptcy Code.

57. "*Holder*" means any Entity holding a Claim.

58. "*Impaired*" means a Class of Claims that is not Unimpaired.

59. "*Indemnification Provision*" means any indemnification provisions of the Debtor in place as of the Effective Date, if any, whether in the bylaws, operating agreement, other formation documents, board resolutions, or employment contracts for the current and former trustees, officers, and managers, employees, attorneys, other professionals, and agents of the Debtor and such current and former trustees, officers, and managers' respective affiliates.

60. "*Insurance Policy*" means any insurance policy covering the Debtor, the Debtor's employees, trustees, or the Campus from any casualty or liability, to the extent such policy is in effect and has not lapsed. Without limiting the foregoing, Insurance Policy shall

include any insurance policy for trustees, officers, and managers' liability maintained by the Debtor as of the Effective Date.

61. "*Intercreditor Agreement*" means the Agreement negotiated among the Pre-Petition Lenders, which provides the mechanism for the distribution of the net proceeds of the Sale.

62. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

63. "*Lien*" shall have the meaning set forth in Section 101(37) of the Bankruptcy Code.

64. "*Liquidation Trust*" means that certain trust to be created on the Effective Date, as described in Article IV.D.

65. "*Liquidation Trust Agreement*" means that certain Liquidation Trust Agreement, to be executed by the Debtor and the Liquidation Trustee effective as of the Effective Date, establishing the Liquidation Trust. The form of the Liquidation Trust Agreement is attached to the Disclosure Statement.

66. "*Liquidation Trustee*" means Mark Podgainy, Interim Chief Restructuring Officer of the Debtor, who shall serve as liquidation trustee for the Liquidation Trust.

67. "*Local Bankruptcy Rules*" means the Local Bankruptcy Rules for the Bankruptcy Court, as applicable to the Chapter 11 Case, as may be amended, modified, or supplemented from time to time.

68. "*Mercy Lease*" means the Lease Agreement dated as of June 28, 2019 whereby Mercy College is renting substantially all of the Campus.

69. "*Nursing Account*" means the bank account into which repayment of Nursing Loans are deposited.

70. "*Nursing Claim*" means any monies due a Governmental Unit for funds repaid by students in connection with Nursing Loans.

71. "*Nursing Loan*" means a loan made by a Governmental Unit to lower income students specifically in the Debtor's nursing program.

72. "*Other Priority Claim*" means any Claim against the Debtor entitled to priority in right of payment under Section 507 of the Bankruptcy Code, other than: (a) an Administrative Claim or (b) a Priority Tax Claim.

73. "*Other Secured Claim*" means any Secured Claim against the Debtor that is not an Allowed Pre-Petition Lender Secured Claim, an Allowed Taxing Authority Secured Claim or a Secured Deficiency Claim.

74. *"Penalty"* means any Claim against the Debtor including without limitation Claims of Taxing Authorities, whether Secured or unsecured, for any fine, penalty, forfeiture, or for multiple, exemplary or punitive damages, to the extent that such fine, penalty, forfeiture, or damages are not compensation for actual pecuniary loss suffered by the holder of such Claim.

75. *"Perkins Account"* means the bank account into which repayment of Perkins Loans are deposited.

76. "*Perkins Claim*" means any monies due to a Governmental Unit for funds repaid by students in connection with Perkins Loans.

77. *"Perkins Loans"* means a loan made by a Governmental Unit to lower income students.

78. "*Petition Date*" means September 20, 2019.

79. "*Plan*" means the Chapter 11 Plan of Debtor, as amended, supplemented, or modified from time to time.

80. "*Pre-Petition Lender Secured Claims*" means the Secured Claims of the Pre-Petition Lenders described in Exhibit "A" hereto, in the amounts set forth in the Intercreditor Agreement, unless the Debtor does not agree with the amount of any such Claim in the Intercreditor Agreement and then, in that event, the amount determined by the agreement of the Debtor and such Pre-Petition Lender or Final Order of the Bankruptcy Court.

81. *Pre-Petition Lenders*" means Citizens Bank, NA, The Carney Family Charitable Foundation, KeyBank, NA and UMB Bank, NA as indenture trustee for bonds issued by The City of New Rochelle Industrial Agency ("*NRIDA*").

82. "*Priority Tax Claim*" means any unsecured Claim of a Governmental Unit of the kind specified in Section 507(a)(8) of the Bankruptcy Code.

83. "*Pro Rata*" means (a) the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class or (b) the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

84. "*Professional*" means an Entity: (a) retained in the Chapter 11 Case pursuant to a Final Order in accordance with Sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Confirmation Date, pursuant to Sections 327, 328, 329, 330, 363, and 331 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

85. "*Professional Fee Claim*" means all Claims for accrued fees and expenses for services rendered by a Professional through and including the Effective Date, to the extent such fees and expenses have not been paid pursuant to any order of the Bankruptcy Court or the

Local Bankruptcy Rules and regardless of whether a fee application has been Filed for such fees and expenses.

86. "*Professional Fee Claim Bar Date*" means the first Business Day that is thirty (30) days following the Effective Date of the Plan, except as specifically set forth in the Plan or a Final Order.

87. "*Professional Fee Escrow*" means the escrow account held by Cullen and Dykman LLP containing the amounts to be paid to Professionals in accordance with the Budget.

88. "*Proof of Claim*" means a proof of Claim Filed against the Debtor in the Chapter 11 Case.

89. "*Sale*" means the sale of the Campus to the Trustees of the Masonic Hall and Asylum Fund (the "*Purchaser*") approved by Order of the Bankruptcy Court dated November 27, 2019 for the sum of $32,000,000.

90. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtor pursuant to Section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

91. "*Secured*" means when referring to a Claim: (a) Secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed pursuant to the Plan as a Secured Claim.

92. "*Secured Deficiency Claims*" means the deficiency Claims of Citizens Bank, N.A. and the Taxing Authorities after payment from the proceeds of the Sale, which are Secured by Liens on certain of the personal property of the Debtor.

93. "*Student Refund Account*" means the segregated account held by the Debtor in which amounts owed for Student Refunds are held.

94. "*Student Refund Claims*" means the claims of former students of the Debtor who are owed refunds of money included in student loans funded by the government for the students' benefit in excess of the amount of tuition.

95. "*Superpriority Claims*" means the Claims of the Pre-Petition Lenders and Taxing Authorities, allowable pursuant to the DIP Order pursuant to sections 503(b) and 507(b) of the Bankruptcy Code with priority over all Claims other than the Carve-Out (as defined in the DIP Order) equal to the Diminution Claim.

96. "*Taxing Authorities*" means the New York State Commissioner of Taxation and Finance, the New York State Department of Labor and the Internal Revenue Service.

97. "*Taxing Authority Secured Claims*" means the Allowed Secured Claims of the Taxing Authorities described in Exhibit "B" hereto in the amounts set forth in their Proofs of Claim, unless the Debtor does not agree with such amounts and then, in that event, the amount determined by agreement of the Debtor and such Claimant or Final Order of the Bankruptcy Court.

98. "*Tort Action*" means any action against the Debtor's Board of Trustees or any individual Trustee based on mismanagement, gross negligence, willful misconduct, breach of fiduciary duty and loyalty, or improper transfers of assets.

99. "*Trust Assets*" means all Assets, or the proceeds thereof, to be transferred to the Liquidation Trust pursuant to the Plan.

100. "*U.S. Trustee Fees*" means fees arising under 28 U.S.C. § 1930(a)(6) and, to the extent applicable, accrued interest thereon arising under 31 U.S.C. § 3717.

101. "*Unexpired Lease*" means a lease to which the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

102. "*Unimpaired*" means, with respect to a Class of Claims, a Claim that is not *impaired* within the meaning of Section 1124 of the Bankruptcy Code.

103. "*Voting Classes*" means all Classes of the Plan other than Class 2(a) of the Plan.

104. "*Voting Deadline*" means ________, 2020 at 5:00 p.m. Eastern Time.

105. "*Voting Record Date*" means the close of business on the date that the Disclosure Statement Approval Order is entered by the Court.

B. Rules of Interpretation

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neutral gender shall include the masculine, feminine, and the neutral gender; (b) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (e) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in Section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

C. Computation of Time

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control).

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to the legal tender of the United States of America, unless otherwise expressly provided.

F. Controlling Document

In the event of an inconsistency between the Plan or the Disclosure Statement, the terms of the Plan shall control in all respects. The provisions of the Plan, and of the Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; provided that if there is determined to be any inconsistency between any provision in the Plan and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern and any such provision of the Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

ARTICLE II.
SUPERPRIORITY CLAIMS, ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE CLAIMS AND PRIORITY TAX CLAIMS

A. Superpriority Claims

1. Payment of Superpriority Claims

Unless otherwise agreed to by the Holder of an Allowed Superpriority Claim and the Debtor, or after the Effective Date the Liquidation Trustee, each Holder of an Allowed Superpriority Claim will receive an exchange for full and final satisfaction, settlement, release, and compromise of its Superpriority Claim an amount of Cash equal to the amount of such Superpriority Claim either: (1) except as otherwise provided in the Confirmation Order, on the Effective Date or as soon as practicable thereafter; or (2) if the Superpriority Claim is not Allowed as of the Effective Date, no later than five (5) business days after the date in which an Order Allowing such Superpriority Claim becomes a Final Order, or as soon as reasonably practicable thereafter. In the event that there are insufficient liquidated funds in the Liquidation Trust to pay such Claims at such times, such Allowed Claims shall be paid as soon as practicable after the liquidation of Assets sufficient to pay such Claims.

B. Administrative Claims

1. Payment of Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtor or, after the Effective Date the Liquidation Trustee, each Holder of an Allowed Administrative Claim (other than of a Professional Fee Claim), will receive in exchange for full and final satisfaction, settlement, release, and compromise of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim from the Distribution Fund either: (1) except as otherwise provided in the Confirmation Order, on the Effective Date or as soon as practicable thereafter; (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than five (5) business days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtor in the ordinary course of its business after the Petition Date, such Allowed Administrative Claims shall be paid pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims and without any further notice to or action, order, or approval of the Bankruptcy Court. United States Trustee Fees shall be paid until the earlier of the entry of a final decree, dismissal or conversion of the Debtor's case.

2. Requests for Payment of Superpriority Claims and Administrative Claims

Except for Claims of Professionals requests for payment of Superpriority Claims and Administrative Claims must be Filed and served on the Debtor and the Liquidation Trustee no later than the Administrative Claims Bar Date. The Liquidation Trustee and/or the Debtor may file an objection to any such request for payment. Holders of Superpriority Claims and Administrative Claims that are required to File and serve a request for payment of such Superpriority Claims and Administrative Claims by the Administrative Claims Bar Date that do not File and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Superpriority Claims and Administrative Claims against the Debtor and the Estate or the Liquidation Trustee, or any of the property of any of the foregoing, and such Superpriority Claims and Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the requesting party by the later of (a) 60 days after the Effective Date and (b) 60 days after the Filing of the applicable request for payment of Superpriority Claims and Administrative Claims, if applicable.

C. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Claims of a Professional shall be Filed no later than thirty (30) days after the Effective Date of the Plan. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Local Bankruptcy Rules and any prior Bankruptcy Court orders, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court. The Liquidation Trustee and/or the Debtor may file an objection to any such request for payment in accordance with such procedures. The Allowed amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals from the Professional Fee Escrow and/or the Distribution Fund when and to the extent such Claims are Allowed by a Final Order.

2. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, on and after the Effective Date, the Liquidation Trustee, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court but subject to the terms of the Liquidation Trust Agreement, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and consummation of the Plan incurred by the Liquidation Trustee on behalf of the Debtor or the Estate.

D. Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim shall receive, in exchange for full and final satisfaction, settlement, release, and compromise of such Claim, Cash up to the full amount of such Claim from the Distribution Fund after payment of Allowed Superpriority Claims, Administrative Claims, Professional Fee Claims and Secured Deficiency Claims.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS

In accordance with Section 1123(a)(1) of the Bankruptcy Code, Superpriority Claims, Administrative Claims, Professional Fee Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims set forth in this Article III.

A. Summary of Classification

All Claims other than Superpriority Claims, Administrative Claims, Professional Fee Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant hereto and in connection with Sections 1122 and 1123(a)(1) of the Bankruptcy Code. Each Class shall be a Class of Claims in the Chapter 11 Case of the Debtor. A Claim is classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim qualifies within the description of such other Classes. A Claim is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Class Identification for the Debtor

The classification of Claims against the Debtor pursuant to the Plan is as follows:

Class	Claims	Status	Voting Rights
Class 1	Allowed Other Priority Claims	Impaired	Entitled to Vote
Class 2	Allowed Pre-Petition Lender Secured Claims		
	(a) Claims of KeyBank, N.A. and The Carney Family Charitable Foundation	Unimpaired	Not Entitled to Vote
	(b) Claims of Citizens Bank, N.A. and NRIDA	Impaired	Entitled to Vote
Class 3	Allowed Taxing Authority Secured Claims	Impaired	Entitled to Vote
Class 4	Allowed Other Secured Claims	May Be Impaired	Entitled to Vote
Class 5	Student Refund Claims	May Be Impaired	Entitled to Vote
Class 6	Annuity Claims	May be Impaired	Entitled to Vote
Class 7	Perkins Claims	May Be Impaired	Entitled to Vote
Class 8	Nursing Claims	May Be Impaired	Entitled to Vote
Class 9	Secured Deficiency Claims	Impaired	Entitled to Vote
Class 10	Allowed General Unsecured Claims	Impaired	Entitled to Vote
Class 11	Allowed Penalty Claims	Impaired	Entitled to Vote

B. Treatment of Claims

1. The treatment provided to each Class relating to the Debtor for distribution purposes and voting rights are specified below:

Class 1 – Allowed Other Priority Claims

(a) *Classification*: Class 1 consists of all Allowed Other Priority Claims.

(b) *Treatment*: Except to the extent that a Holder of an Allowed Class 1 Other Priority Claim agrees to a less favorable treatment to such Holder, in exchange for full and final satisfaction, settlement, release and compromise of each and every Allowed Other Priority Claim against the

Debtor, each Holder of an Allowed Other Priority Claim shall be paid their Pro Rata share of any funds remaining in the Distribution Fund after payment in full of Allowed Superpriority Claims, Administrative Claims, Professional Fee Claims, Priority Tax Claims and Secured Deficiency Claims.

(c) *Voting*: Class 1 is Impaired, and each Holder of an Allowed Other Priority Claim is entitled to vote to accept or reject the Plan.

Class 2 – Allowed Pre-Petition Lender Secured Claims

(a) *Classification*: Class 2(a) consists of the Allowed Pre-Petition Lender Secured Claims of KeyBank, N.A. and The Carney Family Charitable Foundation. Class 2(b) consists of the Allowed Pre-Petition Lender Secured Claims of Citizens Bank, N.A and NRIDA.

(b) *Treatment*: The Pre-Petition Lenders shall be paid from the proceeds of the Sale at the closing thereof in accordance with the allocation of Sale proceeds in Exhibit "A" of the Disclosure Statement.

(c) Voting: Class 2(a) is Unimpaired, and the Holders of Claims of sub-Class are not entitled to vote to accept or reject the Plan. Class 2(b) is Impaired and the Holders of Claims in such sub-Class are entitled to vote to accept or reject the Plan.

Class 3 – Allowed Taxing Authority Secured Claims

(a) *Classification*: Class 3 consists of the Allowed Taxing Authority Secured Claims.

(b) *Treatment*: The Taxing Authorities shall be paid from the proceeds of the Sale at the closing thereof in accordance with the allocation of Sale proceeds in Exhibit "A" of the Disclosure Statement, provided that the payments to be made to Taxing Authorities as identified therein shall first be paid to the Internal Revenue Service and then, if funds remain, to the New York State Taxing Authorities.

(c) *Voting*: Class 3 is Impaired, and the Holder of the Allowed Taxing Authority Secured Claims are entitled to vote to accept or reject the Plan.

Class 4 – Allowed Other Secured Claims

(a) *Classification*: Class 4 consists of all Allowed Other Secured Claims against the Debtor.

(b) *Treatment*: The collateral securing Allowed Other Secured Claims shall be turned over to, or liquidated for the benefit of, the Holders of such

Claims in reduction or satisfaction of such entities' Secured Claims. To the extent there is any deficiency due and owing to such Claimants after application or liquidation of the collateral securing their Claims, such deficiency shall be treated as a Class 10 General Unsecured Claim and shall be paid in accordance with the treatment of such Class.

(c) *Voting*: Class 4 may be Impaired, and each Holder of an Allowed Other Secured Claim is entitled to vote to accept or reject the Plan.

Class 5 – Allowed Student Refund Claims

(a) *Classification*: Class 5 consists of Allowed Student Refund Claims against the Debtor.

(b) *Treatment*: Upon final receipt by the Debtor or the Liquidation Trustee of all student loan monies for the benefit of former students from both Federal and State Governmental Units, and after retention by the Debtor of tuition amounts due by any such students to the Debtor, Holders of Allowed Student Refund Claims shall be paid the full amount of such Claims from the Student Refund Account in full satisfaction of their Allowed Student Refund Claims. Any funds remaining in the Student Refund Account after payment in full of Class 5 Claims shall become part of the Distribution Fund for payment to all other Claimants in this case. In the event of a deficiency in the payment of such Claims, such deficiency shall be treated as a General Unsecured Claim and paid in accordance with Class 10 of the Plan.

(c) *Voting*: Class 5 may be Impaired, and Holders of Allowed Student Refund Claims are entitled to vote to accept or reject the Plan.

Class 6 – Allowed Annuity Claims

(a) *Classification*: Class 6 consists of Allowed Annuity Claims against the Debtor.

(b) *Treatment*: On or as soon as practicable after reconciliation of Allowed Annuity Claims by the Debtor or the Liquidation Trustee, Holders of Allowed Annuity Claims shall be paid from the Annuity Account. If the amount of any Filed Annuity Claim is greater than the amount determined by the reconciliation, the Annuity Claim shall be treated as a Disputed Claim in accordance with Article VII hereof. Any monies remaining in the Annuity Account after the payment of such Claims shall be included in the Distribution Fund for payment to all other Claimants in this case. In the event of a deficiency in the payment of such Claims, such deficiency shall be treated as a General Unsecured Claim and paid in accordance with Class 10 of the Plan .

In the event that the Debtor determines that that the amounts in the Annuity Account are not required to be segregated for the payment of Annuity Claims, and that Annuity Claims are therefore General Unsecured Claims in their entirety, this Class shall be removed, and all Annuity Claims shall be treated as General Unsecured Claims.

(c) *Voting*: Class 6 may be Impaired, and Holders of Allowed Annuity Claims are entitled to vote to accept or reject the Plan.

Class 7 – Allowed Perkins Claims

(a) *Classification*: Class 7 consists of all Allowed Perkins Claims against the Debtor.

(b) *Treatment*: Upon a final accounting by the Debtor or Liquidation Trustee of monies due to Governmental Units in payment of Perkins Claims, such Governmental Unit shall be paid the lesser of (a) the amount of their Filed Perkins Claim, (b) the amount determined by the accounting, or (c) such other amount as is agreed to by the Debtor and such Governmental Unit. If the amount of any Filed Perkins Claim is greater than the amount determined by the accounting, the Perkins Claim shall be treated as a Disputed Claim in accordance with Article VII hereof. After the payment of such Claims, any funds remaining in the Perkins Account will be included in the Distribution Fund for payment to all other Claimants in this case. Any amounts due on Perkins Claims that exceed the amount in the Perkins Account shall be treated as Class 10 General Unsecured Claims and shall be paid in accordance with such Class.

In addition, as part of the close-out process for Perkins Loans, the Debtor shall return outstanding Perkins Loans to the Governmental Units. The Governmental Units shall have General Unsecured Claims for the amount of any Perkins Loan for which it does not accept return.

(c) *Voting*: Class 7 may be Impaired, and Holders of Allowed Perkins Claims are entitled to vote to accept or reject the Plan.

Class 8 – Allowed Nursing Claims

(a) *Classification*: Class 8 consists of all Allowed Nursing Claims against the Debtor.

(b) *Treatment*: Upon a final accounting by the Debtor or Liquidation Trustee of monies due to Governmental Units in payment of Nursing Claims, such Governmental Unit shall be paid the lesser of (a) the amount of their Filed Nursing Claim, (b) the amount determined by the accounting, or (c) such other amount as is agreed to by the Debtor and such Governmental Unit. If the amount of any Filed Nursing Claim is greater than the amount determined by the accounting, the Nursing Claim shall be treated as a Disputed Claim in accordance with Article VII hereof. After the payment of such Claims, any funds remaining in the Nursing Account will be included in the Distribution Fund for payment to all Claimants in this case. Any amounts due on Nursing Claims that exceed the amount in the Nursing Account shall be treated as Class 10 General Unsecured Claims and shall be paid in accordance with such Class.

In addition, as part of the close-out process for Nursing Loans, the Debtor shall return outstanding Nursing Loans to the Governmental Units. The Governmental Units shall have General Unsecured Claims for the amount of any Nursing Loan for which it does not accept return.

(c) *Voting*: Class 8 may be Impaired, and Holders of Allowed Nursing Claims are entitled to vote to accept or reject the Plan.

Class 9 – Allowed Secured Deficiency Claims

(a) *Classification*: Class 9 consists of all Allowed Secured Deficiency Claims.

(b) *Treatment*: Holders of Allowed Secured Deficiency Claims shall be paid up to the full amount of their Claims from such Assets in the Distribution Fund against which the Holders of such Claims hold Liens. After payment of such Claims, any remaining deficiency owed to such Claimants shall be treated as Class 10 General Unsecured Claims.

Notwithstanding the foregoing, the Liens of the Taxing Authorities shall not extend to (a) if the Annuity Account becomes an unsegregated account available for distribution to the Holders of Secured Deficiency Claims, 50% of the amount in the Annuity Account, and (b) 50% of the net proceeds of Causes of Action.

(c) *Voting*: Class 9 may be Impaired, and each Holder of an Allowed Secured Deficiency Claim is entitled to vote to accept or reject the Plan.

Class 10 – Allowed General Unsecured Claims

(a) *Classification*: Class 10 consists of all Allowed General Unsecured Claims against the Debtor.

(b) *Treatment*: Holders of Allowed General Unsecured Claims shall be paid their Pro Rata share of the any funds remaining in the Distribution Fund after the payment of Allowed Superpriority Claims, Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed Other

Secured Claims and Allowed Secured Deficiency Claims against the Debtor.

(c) *Voting*: Class 10 is Impaired, and each Holder of an Allowed General Unsecured Claim is entitled to vote to accept or reject the Plan.

Class 11 – Allowed Penalty Claims

(a) *Classification*: Class 11 consists of all Allowed Penalty Claims.

(b) *Treatment*: Holders of Allowed Penalty Claims shall be paid their Pro Rata share of any funds remaining in the Distribution Fund after payment of all other Claims against the Debtor.

(c) *Voting*: Class 11 is Impaired, and each Holder of an Allowed Penalty Claim is entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing shall affect the rights of the Debtor or the Liquidation Trustee, in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

D. Elimination of Vacant Classes

Any Class of Claims that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement and Disclosure Statement Approval Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies Section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

E. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

The Debtor shall seek Confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims. The Debtor reserves the right to modify the Plan in accordance with Article X to the extent, if any, that Confirmation pursuant to Section 1129(b) of the Bankruptcy Code requires modification.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Overview

The Plan is Liquidating Plan as all Assets of the Debtor will be liquidated to pay Claims against the Debtor. The Debtor's primary asset, the Campus, was sold pursuant to Order of the Bankruptcy Court dated November 27, 2019. Upon the closing the Sale, any net proceeds of

Sale remaining after payment of sale cost and expenses, allowed broker commissions and the DIP Loan will be paid to the Pre-Petition Lenders and the Taxing Authorities in accordance with the allocation of Sale proceeds in Exhibit "A" of the Disclosure Statement. As a result of such payments, it is anticipated that the Claims of The Carney Family Charitable Foundation and KeyBank, N.A. will be fully satisfied. The deficiency claims of Citizens Bank, N.A. and the Taxing Authorities are secured by certain other Assets of the Debtor, with the remainder of such Claims being unsecured. The deficiency claim of NRIDA is wholly unsecured.

In addition to the Campus, the Debtor has personal property including without limitation artwork, gymnasium equipment, furniture, fixtures and miscellaneous assets which the Debtor and the Liquidation Trustee will also liquidate for the benefit of all creditors in accordance with the Liquidation Trust. Finally, the Debtor may recover funds from the collection of accounts receivable and from the litigation of any Causes of Action. The proceeds of all Assets and the recovery of any litigation proceeds will all be transferred by the Debtor to the Liquidation Trust to be administered in accordance with the Liquidation Trust Agreement and paid to the Debtor's creditors.

B. Insurance

On and after the Effective Date, the Liquidation Trustee will maintain customary insurance coverage, if appropriate and available, for the protection of the Liquidation Trustee, the Debtor and the Estate, including casualty and liability insurance. Any insurance policies or rights of the Debtor with respect thereto shall be assigned to the Liquidation Trustee and shall be deemed to be part of the Estate.

C. Settlement of Disputed Claims

The Liquidation Trustee shall have authority to settle Disputed Claims against the Debtor without further approval of the Bankruptcy Court; provided, however, that settlement of Disputed Claims against the Debtor which will amount to a Claim of $25,000.00 or more shall require the approval of the Bankruptcy Court.

D. Liquidation Trust

1. Formation of the Liquidation Trust

On the Effective Date, the Liquidation Trust will be formed and the Liquidation Trustee shall have the power and authority to take any action necessary to liquidate the Trust Assets, including prosecution and, if appropriate, settlement of the Causes of Action (except the Tort Actions which shall, if at all, be litigated by the Committee), including the authority to retain attorneys and consultants, including without limitation Cullen and Dykman LLP.

2. Trustee

Mark Podgainy will serve as the Liquidation Trustee for the Liquidation Trust. The compensation of the Liquidation Trustee will be as provided for in the Liquidation Trust Agreement. In the event of the death or incompetency, bankruptcy, insolvency, resignation or removal of the Liquidation Trustee, a successor trustee shall be appointed as set forth in the Liquidation Trust Agreement.

3. Purpose of the Liquidation Trust; Reporting Duties

The Liquidation Trust will be established for the primary purpose of liquidating the Trust Assets with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidation purpose of the Liquidation Trust, to make distributions to Holders of Allowed Claims in accordance with the Plan, and to take such actions as are reasonably necessary to accomplish the foregoing, as more particularly set forth in the Plan and in the Liquidation Trust Agreement. Upon the transfer by the Debtor of the Trust Assets to the Liquidation Trust, the Debtor will have no reversionary or further interest in or with respect to the Trust Assets or the Liquidation Trust. For all federal income tax purposes, the Beneficiaries of the Liquidation Trust will be treated as the grantors and owners thereof and it is intended that the Liquidation Trust be classified as a Liquidation Trust under Section 301.7701-4 of the Treasury Regulations and that such Trust is owned by the Beneficiaries of the Liquidation Trust. Accordingly, for federal income tax purposes, it is intended that the Beneficiaries of the Liquidation Trust be treated as if they had received a distribution of an interest in the Trust Assets and then contributed such interests to the Liquidation Trust. Accordingly, the Liquidation Trust will, in an expeditious but orderly manner, liquidate the Trust Assets, make timely distributions to the Beneficiaries of the Liquidation Trust pursuant to the Plan and the Confirmation Order, and not unduly prolong its duration. The Liquidation Trust will not be deemed a successor in interest of the Debtor for any purpose other than as specifically set forth in the Plan. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

The Liquidation Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Beneficiaries of the Liquidation Trust treated as grantors and owners thereof for federal income tax purposes. The Liquidation Trustee shall endeavor to ensure that the Liquidation Trust files tax returns as a grantor trustee pursuant to Treasury Regulation Section 1.671-4(a) and shall comply with all requirements of any Governmental Unit in connection therewith. The Liquidation Trustee shall file or shall cause to be filed any other statement, returns, or disclosures relating to the Liquidation Trust that are required by any Governmental Unit. The Liquidation Trustee shall send to each Beneficiary an annual statement setting forth such Beneficiary's share of items of income, gain, loss, deduction or credit and provide to all such parties information for reporting such items on their federal income tax returns, as appropriate.

4. Transfer of Assets to the Liquidation Trust; Trust Assets Available for Distribution

The Liquidation Trustee will establish the Liquidation Trust on behalf of the Beneficiaries, with the Beneficiaries of the Liquidation Trust to be treated as the grantors and deemed owners of the Trust Assets. On the Effective Date, the Debtor will transfer to the Liquidation Trust for the benefit of the Beneficiaries of the Liquidation Trust the Trust Assets in accordance with the provisions herein, notwithstanding any prohibition of assignability under non-bankruptcy law. The Liquidation Trust will agree to accept and hold the Trust Assets in the Liquidation Trust for the benefit of the Beneficiaries of the Liquidation Trust, subject to the terms of the Plan.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all Trust Assets shall vest in the Liquidation Trust free and clear of all Liens, Claims, charges, mortgages, deeds of trust and encumbrances, other than all Liens, Claims, charges, mortgages, deeds of trust and encumbrances in favor of the Holders of Secured Deficiency Claims.

5. Prosecution of the Causes of Action

The Liquidation Trustee shall take such action as is reasonably necessary to maximize the value of and liquidate the Causes of Action, including the commencement and prosecution of any adversary proceedings, contested matters, lawsuits, arbitrations or other proceedings (including the prosecution or defense of any appeals, writs of mandamus, writs of certiorari, discovery in aid of collecting or executing any judgment and the execution of any judgment, and the posting of any bond required by a court in connection therewith), either in the Bankruptcy Court or in such other appropriate venue having jurisdiction of such Causes of Action. In connection with the foregoing, the Liquidation Trust shall defend and, if appropriate, settle, any counterclaims asserted or raised by a defendant to a Cause of Action. The Liquidation Trust may, if appropriate, settle any Cause of Action in accordance with the Liquidation Trust Agreement. Notwithstanding the foregoing, Tort Actions, if any, shall be pursued by the Committee, and the net proceeds of such Actions shall be turned over to the Liquidation Trustee for distribution in accordance with the Liquidation Trust Agreement.

6. Distributions; Withholding

The Liquidation Trust will make distributions at least annually to the Beneficiaries of all Trust Assets in accordance with the Plan; provided, however, the Liquidation Trust may retain such amounts reasonably necessary, as determined by the Liquidation Trustee to fund the operations of the Liquidation Trust. The Liquidation Trust may withhold from amounts distributable to any person or Entity any and all amounts, determined in the discretion of the Liquidation Trustee, to be required by any law, regulation, rule, ruling, directive, or other governmental requirement.

7. Investment Powers

The right and power of the Liquidation Trustee to invest Liquidation Trust funds, the proceeds thereof, or any income earned by the Liquidation Trust shall be limited to the right and power to invest such assets (pending periodic distributions in accordance with Article IV.H.6) in such assets as permitted by Revenue Procedure 94-45, 1994-2 C.B. 684, or as modified by subsequent IRS guidance; provided however, that the Liquidation Trustee may expend the assets of the Liquidation Trust as reasonably necessary to maintain the value of the assets of the Liquidation Trust or pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Liquidation Trust or reasonable fees and expenses in connection with any Causes of Action) necessary to further the purpose of the Liquidation Trust.

8. Insurance

The Liquidation Trust will maintain customary liability insurance coverage, if appropriate and available, for the protection of the Liquidation Trustee on and after the Effective Date.

9. Liquidation Trust Implementation

On the Effective Date, the Liquidation Trust will be established and become effective for the benefit of the Beneficiaries of the Liquidation Trust entitled to distributions from the Liquidation Trust. The Liquidation Trust Agreement shall contain provisions similar to those contained in trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Liquidation Trust as a grantor trust for federal income tax purposes. All parties shall execute any documents or other instruments as necessary to cause title to the applicable assets to be transferred to the Liquidation Trust. In the event of any conflict between the terms of the Plan and the Liquidation Trust Agreement, the terms of the Liquidation Trust Agreement shall control.

10. Termination of Liquidation Trust

The Liquidation Trust shall terminate after its liquidation, administration and distribution of the Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth herein or in the Liquidation Trust Agreement. The Liquidation Trust shall terminate no later than the fifth (5^{th}) anniversary of the Effective Date; provided, however, that within a period of six (6) months prior to such termination date or any extended termination date, the Liquidation Trustee may extend the term of the Liquidation Trust if necessary to facilitate or complete the liquidation of Trust Assets administered by the Liquidation Trust for a period not to exceed three (3) years; provided further, however, that the aggregate of all such extensions shall not exceed three years, unless the Liquidation Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Liquidation Trust as a "liquidation trust" for federal income tax purposes within the meaning of Treasury Regulation Section 301.7701-4(d).

11. Termination of the Trustee for the Liquidation Trust

The duties, responsibilities, and powers of the Liquidation Trustee will terminate upon termination of the Liquidation Trust.

E. Substantive Consolidation

The Plan does not contemplate the substantive consolidation of the Debtor with any other Entity.

F. Release of Liens

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate shall revert to the Estate. Notwithstanding the foregoing and notwithstanding any other provision of the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estate securing the Allowed Pre-Petition Secured Lender Claims, Allowed Taxing Authority Secured Claims, Allowed Secured Deficiency Claims, or granted in favor of or for the benefit of the Holders of such Claims shall not be released, settled or compromised unless and until such Claim Holders shall have received all the distributions provided for in the Plan respect of such Claims.

G. Corporate Action

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects and all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date), without any requirement of further action by the trustees of the Debtor or approval of the Bankruptcy Court. On the Effective Date, the Liquidation Trustee shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Debtor and the Estate, including any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article shall be effective notwithstanding any requirements under non-bankruptcy law.

H. Effectuating Documents; Further Transactions

On and after the Effective Date, the Debtor and any of the Debtor's trustees are authorized and directed to issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan as may be requested or directed by the Liquidation Trustee from time to time, without the need for any approvals, authorizations, or consents, except for those expressly required pursuant to the Plan, or any further notice to or action, order, or approval of the Bankruptcy Court.

I. Exemption from Certain Taxes and Fees

Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan, including the recording of any mortgages or liens or amendments thereto, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

J. Insurance Policies

Notwithstanding anything herein to the contrary, on the Effective Date, the Debtor shall assume and assign to the Liquidation Trustee all of the Insurance Policies pursuant to Section 365 of the Bankruptcy Code.

K. Revocation of Charter/Dissolution of Entity

Prior to the Effective Date, the Debtor shall arrange with the New York State Education Department (NYSED) for the revocation of the Debtor's Charter, effective as of the Effective Date. Upon the final distribution to Holders of Allowed Claims against the Debtor, the Debtor shall be deemed dissolved under state law without further action by the Liquidation Trustee and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity except as otherwise provided for in the Plan.

L. Preservation of Rights of Action

The Liquidation Trustee shall have the right to reduce and/or disallow any Claim based upon the existence of a Cause of Action against the Holder of such Claim. No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Liquidation Trustee will not pursue any and all available Causes of Action against them. All rights to prosecute any and all Cause of Actions against any Entity, except as otherwise expressly provided in the Plan (including the General Release set forth in Article VIII.C of the Plan), are and shall be expressly reserved. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, all Cause of Actions are expressly reserved for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Cause of Actions upon, after, or as a consequence of the Confirmation or the occurrence of the Effective Date.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Assignment of Mercy Lease

To the extent that the Debtor has not obtained an Order of the Bankruptcy Court authorizing the assumption and assignment of the Mercy Lease to the Purchaser of the Campus prior to the Confirmation Date, through the Plan and as of the Effective Date, the Debtor shall assume and assign to the Purchaser the Mercy Lease. The Debtor believes that it has fully satisfied its obligations under the terms of the Mercy Lease during the pendency of its case and that there are therefore no cure obligations owed in connection with the Mercy Lease.

B. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, Executory Contracts or Unexpired Leases that are not assumed or rejected pursuant to an Order prior to the Effective Date shall be rejected. All assumptions and assignments or rejections of the Debtor's Executory Contracts and Unexpired Leases in the Plan are effective as of the Effective Date.

C. Cure of Defaults for Assumed and Assigned Executory Contracts and Unexpired Leases

Any Executory Contracts or Unexpired Leases to be assumed and assigned pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by the satisfaction of the Cure Obligations or by an agreed-upon waiver of the Cure Obligations on the Effective Date or as soon as reasonably practicable thereafter or on such other terms as the Liquidation Trustee and the counterparties to each such Executory Contract or Unexpired Lease may otherwise agree.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption and assignment or related Cure Obligations must be Filed, served, and actually received by the Liquidation Trustee by twenty-five (25) days after the Effective Date. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption and assignment of such Executory Contract or Unexpired Lease or such Cure Obligations will be deemed to have assented to such matters and shall be forever barred, estopped, and enjoined from asserting such objection against the Debtor, the Estate or the Liquidation Trustee.

In the event of a dispute regarding: (1) the Cure Obligations; (2) the ability of the Purchaser to provide "adequate assurance of future performance" within the meaning of Section 365(b) of the Bankruptcy Code, if applicable, under the Executory Contract or the Unexpired Lease to be assumed and assigned; or (3) any other matter pertaining to assumption and/or assignment, then the applicable Cure Obligations shall be satisfied following the entry of a Final Order resolving the dispute and approving the assumption and assignment of such Executory Contracts or Unexpired Leases or as may be agreed upon the Liquidation Trustee, and the counterparty to such Executory Contract or Unexpired Lease; provided that prior to the Effective Date, the Liquidation Trustee may settle any dispute regarding Cure Obligations without any further notice to any party or any action, order, or approval of the Bankruptcy

Court. The Debtor and the Liquidation Trustee reserve the right to reject, or nullify the assumption and assignment of, any Executory Contract or Unexpired Lease no later than thirty (30) days after a Final Order determining the Cure Obligations, any request for adequate assurance of future performance required to assume and assign such Executory Contract or Unexpired Lease, and any other matter pertaining to assumption and/or assignment.

Assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure Obligations, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption and/or assignment. Anything in the Schedules and any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed and assigned shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

D. Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by an order of the Bankruptcy Court, any Proofs of Claim based on the rejection of the Debtor's Executory Contracts or Unexpired Leases pursuant to the Plan or otherwise, must be Filed no later than the later of (a) thirty (30) days after the effective date of rejection of such Executory Contract or Unexpired Lease and (b) thirty (30) days after the Effective Date.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease for which Proofs of Claims were not timely Filed as set forth in the paragraph above shall not (a) be treated as a creditor with respect to such Claim, (b) be permitted to vote to accept or reject the Plan, or (c) participate in any distribution in the Chapter 11 Case on account of such Claim, and such Claim shall be deemed fully satisfied, released, settled and compromised, and be subject to the permanent injunction set forth in Article VIII.F, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.

E. Pre-existing Obligations to the Debtor or Estate Under Executory Contracts and Unexpired Leases

Rejection or repudiation of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtor under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the right of the Debtor or the Estate to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, by the contracting Debtor from counterparties to rejected or repudiated Executory Contracts or Unexpired Leases are expressly reserved and not waived.

F. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each assumed and assigned Executory Contract or Unexpired Lease shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during the Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. Reservation of Rights

Nothing contained in the Plan shall constitute an admission by the Debtor or the Liquidation Trustee that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtor has any liability thereunder. In the event of a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption and assignment or rejection, the Debtor or the Liquidation Trustee shall have ninety (90) days following entry of a Final Order resolving such dispute to alter the treatment of such Executory Contract or Unexpired Lease as otherwise provided herein.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the Plan, on each Distribution Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtor shall receive the distribution to which such Claimant is entitled under the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII. Except as otherwise provided herein, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date. Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a distribution in excess of the Allowed amount of such Claim.

B. Rights and Powers of Liquidation Trustee as Disbursing Agent

1. Powers of the Liquidation Trustee as Disbursing Agent

The Liquidation Trustee in its capacity as disbursing agent shall be empowered to, as applicable: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated under the Plan; (c) employ professionals to represent him with respect to his responsibilities including without limitation Cullen and Dykman LLP; and (d) exercise such other powers as may be vested in the Liquidation Trustee by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Liquidation Trustee to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Liquidation Trustee after the Effective Date (including taxes, other than income or other similar taxes of the Liquidation Trustee in an individual capacity) and any reasonable compensation and expense reimbursement Claims (including reasonable attorneys' fees and expenses) made by the Liquidation Trustee shall be paid in Cash from the Distribution Fund, without any further notice to or action, order, or approval of the Bankruptcy Court.

C. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Liquidation Trustee, on the one hand, and the Holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the Holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

3. Disputed Claims Reserve

On each Distribution Date (or as soon thereafter as is reasonably practicable), the Liquidation Trustee shall deposit in the Disputed Claims Reserve the amount of Cash that would have been distributed to the Holders of all Disputed Claims against the Debtor as if such Disputed Claims had been Allowed on each Distribution Date, with the amount of such Allowed Claims to be determined, solely for the purposes of establishing reserves and for maximum distribution purposes, to be the lesser of (a) the asserted amount of the Disputed Claim filed with the Bankruptcy Court, (b) the amount, if any, estimated by the Bankruptcy

Court pursuant to Section 502(c) of the Bankruptcy Code, or (c) amount otherwise agreed by the Liquidation Trustee and the Holder of such Disputed Claim for reserve purposes. To the extent the amount of Cash deposited in the Disputed Claims Reserve on account of Disputed Claims against the Debtor exceeds the amount of Disputed Claims against the Debtor (as of the funding of the Disputed Claims Reserve) that later become Allowed, the excess shall be distributed in accordance with the Plan.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided herein, the Liquidation Trustee shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated on the Debtor's books and records as of the date of any such distribution; provided that the manner of such distributions shall be determined at the discretion of the Liquidation Trustee; and provided further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder. If a Holder holds more than one Claim in any one Class, all Claims of the Holder will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.

2. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Liquidation Trustee has determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided that such distributions shall be deemed unclaimed property under Section 347(b) of the Bankruptcy Code at the expiration of three months from the date the distribution is mailed. After such date, all unclaimed property or interests in property shall revert (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary) to the Estate, and shall be distributed in accordance with the Liquidation Trust Agreement, and the Claim of any Holder to such property or interest in property shall be released, settled, compromised, and forever barred.

3. Manner of Payment Pursuant to the Plan

Any payment in Cash to be made pursuant to the Plan shall be made at the election of the Liquidation Trustee by check or by wire transfer.

E. Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Liquidation Trustee shall comply with all tax withholding and reporting requirements imposed on it by any Governmental Unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Liquidation Trustee shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

F. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Liquidation Trustee shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or the Liquidation Trustee on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the Liquidation Trustee to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the Allowed amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Liquidation Trustee annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtor's Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtor' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtor or the Estate, the Liquidation Trustee or any other Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Resolution of Claims Against the Debtor

1. Allowance of Claims Against the Debtor

On or after the Effective Date, the Liquidation Trustee shall have and shall retain any and all rights and defenses that the Debtor had with respect to any Claim, except with respect to any Claim deemed Allowed as of the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Case allowing such Claim.

2. Prosecution of Objections to Claims Against the Debtor

After the Effective Date the Liquidation Trustee shall have the exclusive authority to File objections to Claims against the Debtor, and to settle, compromise, withdraw or litigate to judgment objections to any and all Claims against the Debtor, regardless of whether such Claims are in a Class or otherwise. From and after the Effective Date, the Liquidation Trustee may settle or compromise any Disputed Claim against the Debtor without any further notice to or action, order, or approval of the Bankruptcy Court; provided, however, that settlement of Disputed Claims against the Debtor which will amount to a Claim of $25,000 or more shall require the approval of the Bankruptcy Court. From and after the Effective Date, the Liquidation Trustee shall have the sole authority to administer and adjust the Claims Register to reflect any such settlements or compromises of Claims against the Debtor without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Time to File Objections to Claims Against the Debtor

Any objections to Claims against the Debtor shall be Filed on or before the Claims Objection Bar Date.

4. Estimation of Claims Against the Debtor

The Liquidation Trustee may, at any time, and shall have the exclusive authority to, request that the Bankruptcy Court estimate (a) any Disputed Claim against the Debtor pursuant to applicable law and (b) any contingent or unliquidated Claim pursuant to applicable law, including Section 502(c) of the Bankruptcy Code, regardless of whether the Debtor or the Plan Administrator have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim against the Debtor, contingent Claim against the Debtor or unliquidated Claim against the Debtor, including during the litigation concerning any objection to any Claim against the Debtor or during the pendency of any appeal relating to any such objection. Notwithstanding any provision otherwise in the Plan, a Claim against the Debtor that has been expunged from the Claims Register but that is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Disputed Claim against the Debtor, contingent Claim against the Debtor, or unliquidated Claim against the Debtor, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim for all purposes under the Plan, including for purposes of distributions, and the Liquidation Trustee may elect to pursue additional objections to the ultimate distribution on such Claim. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidation Trustee may elect to pursue any supplemental proceedings to object to any ultimate distribution on account of such Claim. Notwithstanding Section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim against the Debtor that has been estimated pursuant to Section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before twenty-one (21) days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

5. Expungement or Adjustment to Claims Against the Debtor Without Objection

Any Claim against the Debtor that has been paid, satisfied, or superseded may be expunged on the Claims Register by the Liquidation Trustee and any Claim that has been amended may be adjusted thereon by the Liquidation Trustee in all Case without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

B. Disallowance of Claims

All Claims against the Debtor held by any Entity from which property is sought by the Liquidation Trustee under Section 542, 543, 550, or 553 of the Bankruptcy Code or that the Liquidation Trustee alleges is a transferee of a transfer that is avoidable under Section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if (1) the Entity, on the one hand, and the Liquidation Trustee on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turnover any property or monies under any of the aforementioned Sections of the Bankruptcy Code and (2) such Entity or transferee has failed to turnover such property by the date set forth in such agreement or Final Order.

EXCEPT AS PROVIDED FOR UNDER THE PLAN OR OTHERWISE AGREED TO BY THE LIQUIDATION TRUSTEE ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE CLAIMS BAR DATE (THAT DO NOT AMEND TIMELY FILED CLAIMS) SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE OF THE PLAN WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH

CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

C. Amendments to Claims

On or after the Effective Date, except as provided in Section II.A, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Liquidation Trustee, and any such new or amended Claim Filed shall be deemed disallowed and expunged without any further notice to, or action, order, or approval of, the Bankruptcy Court.

ARTICLE VIII.
SETTLEMENT, RELEASES, EXCULPATIONS, INJUNCTIONS, AND RELATED PROVISIONS

A. Compromise and Settlement of Claims and Controversies

Pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the classification, distributions, releases, and other benefits provided pursuant to the Plan, on the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan or relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtor, the Estate, and Holders of Claims and is fair, equitable, and reasonable. Except as otherwise provided in the Plan, a vote by a Holder of a Claim for or against this Plan does not constitute a waiver or release of any rights of the Debtor or the Estate, as applicable, or the Liquidation Trustee to object to that Holder's Claim on any basis, including pursuant to Section 502(d) of the Bankruptcy Code on the basis that such Holder has received or was the beneficiary of a preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims, Causes of Action, or other rights of the Debtor or the Estate are specifically or generally identified herein or otherwise released pursuant to the General Release.

B. Discharge

The Debtor is not entitled to, and will not receive, a discharge since the Plan is a Liquidating Plan, and the Debtor will not be engaging in business after the Effective Date of the Plan.

C. General Releases

Notwithstanding anything contained herein to the contrary, on the Effective Date and effective as of the Effective Date, each Holder of the Claim, whether not such Claim is Allowed and whether or not such Holder of the Claim has voted to accept or reject the Plan, on behalf of such Holder and all those claiming by, through or on behalf of such

Holder, to the maximum extent of applicable law, releases the Debtor Parties from any and all claims, interest, obligations, debts, rights, suits, damages, remedies, causes of action, liabilities whatsoever (including any derivative claims asserted on behalf of the Debtor or the Estate), whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or not contingent, existing as of the Effective Date in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state security laws or otherwise; provided that the foregoing release shall not operate as a waiver or release of any claims, interests, obligations, debts, rights, suits, damages, remedies, causes of action, and liabilities of the Holders of Claims related to, arising under or as provided in the Plan or the Liquidation Trust Agreement or any claims from fiduciary duties, criminal liabilities, gross negligence and ultra-vires acts and further provided that nothing herein shall limit the liability of any attorney to their respective clients pursuant to DR 6-102 of the Code of Professional Responsibility; and provided further that this release shall not operate as a release of any Tort Action.

D. Exculpations

The Debtor, the Chief Restructuring Officer, the Interim Chief Restructuring Officer, the Liquidation Trustee, the Committee and each of their professionals, consultants, representatives, employees, officers, directors, managers and agents, and each of their successors and assigns, shall neither have, nor incur, any liability to any person or entity for any postpetition act taken or omitted to be taken in connection with, or related to formulating, negotiating, soliciting, preparing, disseminating, implementing, confirming, or effecting the consummation of the Plan, including but not limited to the marketing of and sales process relating to the Sale, the Disclosure Statement, any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor; provided that the foregoing "Exculpation" shall have no effect on the liability of any of the parties that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct or limit the liability of any professional to its client pursuant to DR 6-102 of the Code of Professional Responsibility; provided, further, that each of the foregoing Entities shall be entitled to rely upon the advice of counsel concerning his, her, or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement. Notwithstanding the foregoing, nothing set forth above shall operate to limit or excuse compliance by any Entity with any of their respective obligations under the Plan or otherwise or to modify the effect or consequence of any such failure to comply with such obligations.

Nothing contained in the Plan or the Confirmation Order shall be deemed to be an assumption by the Chief Restructuring Officer, Interim Chief Restructuring Officer, or the Liquidation Trustee of any of the liabilities, obligations, or duties of the Debtor or the Estate and shall not be deemed to be or contain a covenant or agreement by any of the foregoing to assume or accept any such liability, obligation, or duty. Any successor Chief Restructuring Officer or Liquidation Trustee may accept and rely upon any accounting made by or on behalf of any predecessor Chief Restructuring Officer, Interim Chief

Restructuring Officer, or Liquidation Trustee hereunder, and any statement or representation made as to the assets comprising the Estate or as to any other fact bearing upon the prior administration of the Estate, so long as it has a good faith basis to do so. The Chief Restructuring Officer, Interim Chief Restructuring Officer and Liquidation Trustee shall not be liable for having accepted and relied in good faith upon any such accounting, statement, or representation if it is later proved to be incomplete, inaccurate, or untrue. The Chief Restructuring Officer, the Interim Chief Restructuring Officer, and Liquidation Trustee or any successor to the Chief Restructuring Officer, the Interim Chief Restructuring Officer, or the Liquidation Trustee shall not be liable for any act or omission of any predecessor Chief Restructuring Officer, Interim Chief Restructuring Officer or Liquidation Trustee, as the case may be, nor have a duty to enforce any claims against any predecessor Chief Restructuring Officer, Interim Chief Restructuring Officer or Liquidation Trustee on account of any such act or omission.

To the extent the foregoing provision of the Plan is inconsistent with the Order dated September 27, 2019 authorizing the retention of Getzler Henrich & Associates LLC by Herbert Weil as Chief Restructuring Officer and Mark Podgainy as Interim Chief Restructuring Officer (the "CRO Retention Order"), the provisions of the CRO Retention Order shall govern.

E. Indemnification

The Chief Restructuring Officer, the Interim Chief Restructuring Officer, the Liquidation Trustee and each of their professionals, consultants, representatives, employees, principals, officers, directors, managers and agents, and each of their successors and assigns shall be indemnified and held harmless by Debtor and the Estate, to the fullest extent permitted by law, solely from the Estate and the Trust Assets, and any proceeds thereof, for any losses, claims, damages, liabilities, and expenses, including, without limitation, reasonable attorneys' fees, disbursements, and related expenses which such indemnified parties may incur or to which such indemnified parties may become subject in connection with any action, suit, proceeding, or investigation brought or threatened against one or more of such indemnified parties on account of the acts or omissions in connection with any Exculpated matter; provided, however, that the Debtor and the Estate shall not be liable to indemnify any such indemnified party for any act or omission that has been determined by a Final Order as constituting gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, such indemnified parties shall be entitled to obtain advances from the Estate to cover their reasonable expenses of defending themselves in any action brought against them as a result of the acts or omissions, actual or alleged, of any such indemnified party in its capacity as such; provided, however, that the Entities indemnified pursuant to this Article receiving such advances shall repay the amounts so advanced upon the entry of a Final Order finding that such indemnified parties were not entitled to any indemnity under the provisions of this Article.

To the extent the foregoing provision of the Plan is inconsistent with the CRO Retention Order, the provisions of the CRO Retention Order shall govern.

F. Injunction

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO THE GENERAL RELEASE PURSUANT TO ARTICLE VIII.C OF THE PLAN, (3) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.D; OR (4) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTOR, THE CHIEF RESTRUCRING OFFICER, THE INTERIM CHIEF RESTRUCTURING OFFICER, THE LIQUIDATION TRUSTEE (OR THE ASSETS OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTOR, THE CHIEF RESTRUCTURING OFFICER, THE INTERIM CHIEF RESTRUCTURING OFFICER, THE LIQUIDATION TRUSTEE, THE COMMITTEE (OR THE ASSETS OF ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR, THE CHIEF RESTRUCTURING OFFICER, THE INTERIM CHIEF RESTRUCTURING OFFICER, THE LIQUIDATION TRUSTEE, THE COMMITTEE (OR THE ASSETS OF ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE ASSETS OF ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A MOTION REQUESTING THE RIGHT TO PERFORM SUCH SETOFF, SUBROGATION, OR RECOUPMENT ON OR BEFORE THE CONFIRMATION DATE, AND NOTWITHSTANDING ANY INDICATION IN A PROOF OF CLAIM OR OTHERWISE THAT SUCH HOLDER ASSERTS, HAS, OR INTENDS TO PRESERVE ANY RIGHT OF SETOFF PURSUANT TO SECTION 553

OF THE BANKRUPTCY CODE OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTOR, THE CHIEF RESTRUCTURING OFFICER, THE INTERIM CHIEF RESTRUCTURING OFFICER, THE LIQUIDATION TRUSTEE, THE COMMITTEE OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE ASSETS OF ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; PROVIDED THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN; PROVIDED FURTHER THAT NOTHING CONTAINED HEREIN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW. NOTWITHSTANDING THE FOREGOING, NOTHING SHALL PREVENT, LIMIT OR OTHERWISE IMPAIR THE RIGHT OF ANY ENTITY WITH RESPECT TO ANY MATTER THAT IS (A) NOT RELEASED BY THE PLAN OR (B) WITH RESPECT TO A MATTER SUBJECT TO POTENTIAL FUTURE RELEASE FOR WHICH ALL CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF SUCH RELEASE SHALL NOT HAVE YET OCCURRED.

G. Setoffs and Recoupments

Except as otherwise provided herein, the Liquidation Trustee, pursuant to the Bankruptcy Code (including Section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off or recoup against any Allowed Claim or the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Debtor of any such Claims, rights, and Causes of Action that the Debtor may possess against such Holder.

ARTICLE IX.
CONDITIONS PRECEDENT

A. Condition Precedent to Confirmation of the Plan

It shall be a condition precedent to Confirmation of the Plan that the following conditions shall have been satisfied or waived:

1. The Bankruptcy Court shall have entered the Disclosure Statement Approval Order and it shall have become a Final Order; provided that in accordance with Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (and notwithstanding any other provision of the Bankruptcy Code or the Bankruptcy Rules), the Disclosure Statement Approval Order shall not be stayed and shall be effective immediately upon their respective entry; and

2. The Bankruptcy Court shall have entered the Confirmation Order and it shall have become a Final Order; provided that in accordance with Bankruptcy Rules 3020(e), 6004(h), and 6006(d) (and notwithstanding any other provision of the Bankruptcy Code or the Bankruptcy Rules), the Confirmation Order shall not be stayed and shall be effective immediately upon its entry.

B. Conditions Precedent to the Effective Date of the Plan

It shall be a condition precedent to the occurrence of the Effective Date of the Plan that the following conditions shall have been satisfied or waived:

1. The Confirmation Date shall have occurred;

2. The Confirmation Order shall not be subject to any stay; and

3. The Liquidation Trust Agreement shall have been executed.

The Debtor shall file a Notice of the occurrence of the Effective Date with the Bankruptcy Court.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Subject to the limitations contained herein, the Debtor reserve the right to modify the Plan as to immaterial terms and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtor expressly reserve the right to alter, amend, or modify materially the Plan with respect to the Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article X.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof and prior to the Confirmation Date are approved pursuant to Section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation Date or the Effective Date. If the Debtor revokes or withdraws the Plan, or if Confirmation or Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), assumption and assignment or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtor or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Case and all matters, arising out of, or related to, the Chapter 11 Case and the Plan, including jurisdiction to:

1. Except as otherwise provided in the Plan, Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims;

2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. Resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect to which the Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, Cure Obligations pursuant to Section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed and/or assigned; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. Adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

8. Enter and enforce any order for the sale of property pursuant to Sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. Resolve any case, controversies, suits, disputes, or Causes of Action that may arise in connection with the consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation or enforcement of the Plan;

11. Resolve any case, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

12. Resolve any case, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid pursuant to Article VI;

13. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. Adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

16. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

17. Determine requests for the payment of Claims entitled to priority pursuant to *Section* 507 of the Bankruptcy Code;

18. Hear and determine disputes arising in connection with the interpretation, *implementation*, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

19. Hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

20. Hear and determine matters concerning Section 1145 of the Bankruptcy Code;

21. Hear and determine all disputes involving the existence, nature, or scope of the Releases, the Exculpations, the Indemnifications and the Injunctions;

22. Enforce all orders previously entered by the Bankruptcy Court;

23. Enter an order concluding or closing the Chapter 11 Case; and

24. Enforce the Releases, the Exculpations, the Indemnifications and the Injunctions, as set forth in Article VIII.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.B and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtor, the Estate, the Liquidation Trustee, and any and all Holders of Claims against or in the Debtor, regardless of whether such Claims are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in such plan, each Entity acquiring property under such plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtor. All Claims shall be as fixed, adjusted or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim has voted on the Plan.

B. Additional Documents

On or before the Effective Date, the Debtor may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. All Holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

All fees payable pursuant to Section 1930(a) of the Judicial Code shall be paid by the Debtor (prior to or on the Effective Date) or the Estate (after the Effective Date) for each quarter (including any fraction thereof) until the Chapter 11 Case is converted, dismissed, or closed, whichever occurs first.

D. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order with respect to the Plan. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by the Debtor with respect to the Plan, the Disclosure Statement, or the Confirmation Order shall be or shall be deemed to be an admission or waiver of any rights of the Debtor with respect to the Holders of Claims prior to the Effective Date.

E. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, or assign, affiliate, officer, director, manager, trustee, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

F. Service of Documents

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtor or the Liquidation Trustee shall be served on:

Getzler Henrich & Associates, LLC,
Chief Restructuring Officer
Attn: Mark Podgainy
295 Madison Avenue
20th Floor
New York, New York 10017
212-697-2400
Email: mpodgainy@getzlerhenrich.com

with copies to:

Cullen and Dykman LLP
Attn: Matthew G. Roseman, Esq.
Bonnie L. Pollack, Esq.
100 Quentin Roosevelt Boulevard
Suite 402
Garden City, New York 11530
Telephone: (515) 296-9143
Email: mroseman@cullenllp.com
bpollack@cullenllp.com

G. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Case pursuant to Sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Confirmation Order supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Nonseverability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation.
Respectfully submitted, as of the date first set forth above.

J. Disbandment of Committee

On the Effective Date, the Committee shall be disbanded except for the sole purpose of litigating any Tort Actions. Upon conclusion of such Tort Actions, the Committee shall be disbanded for all purposes.

Dated: December 27, 2019

[END OF TEXT; SIGNATURES CONTINUE ON NEXT PAGE]

THE COLLEGE OF NEW ROCHELLE
By Getzler Henrich & Associates, LLC,
Interim Chief Restructuring Officer

By: s/ Mark Podgainy
Mark Podgainy
295 Madison Avenue
20th Floor
New York, New York 10017
212-697-2400

EXHIBIT "A"

(a) Citizens Bank. N.A. - Citizens and the Debtor are parties to that certain Reimbursement Agreement dated as of August 1, 2008, as amended by Amendment No. 1 to Reimbursement Agreement dated as of October 3, 2008, Amendment No. 2 to Reimbursement Agreement dated as of July 16, 2013, Amendment No. 3 to Reimbursement Agreement dated as of January 27, 2015, Amendment No. 4 to Reimbursement Agreement dated as of March 24, 2015, Amendment No. 5 to Reimbursement Agreement dated as of March 10, 2017, Amendment No. 6 to Reimbursement Agreement dated November 17, 2017, and Amendment No. 7 to Reimbursement Agreement dated as of January 25, 2019 (as so amended, the "Reimbursement Agreement"). Citizens issued that certain direct pay letter of credit, No. S906125, dated as of August 6, 2008 in the amount of $40,460,275.00 (the "Letter of Credit") pursuant to the Reimbursement Agreement to support the payment of principal and interest on certain revenue bonds issued by The Dormitory Authority of the State of New York ("DASNY"), designated as The College of New Rochelle Revenue Bonds, Series 2008, in an aggregate principal amount of $40,000,000.00 (the "2008 Bonds"). To secure the due and punctual performance by the Debtor of all of the covenants and agreements contained in the Reimbursement Agreement, the Citizens Wellness Center Mortgages (hereinafter defined), the Citizens Castle Mortgages (hereinafter defined), and all documents and agreements related to the Reimbursement Agreement (collectively, the "Citizens Loan Documents"), the Debtor, as "Mortgagor," executed and delivered (a) to DASNY, as "Mortgagee," a certain mortgage on the Mortgaged Property (as defined in the Citizens Wellness Center Mortgage) ("Wellness Center Mortgaged Property") dated August 6, 2008 in the maximum principal amount of $40,460,275.00, and recorded in the Clerk's Office on October 27, 2008 as Control No. 482950082, which mortgage was assigned to Citizens pursuant to that certain Collateral Assignment of Mortgage dated as of August 6, 2008, and recorded in the Clerk's Office on October 27, 2008 as Control No. 482950101 (as so assigned, the "Citizens Wellness Center Mortgage"), (b) to Citizens, as "Mortgagee," a certain mortgage on the Mortgaged Property (as defined in the Citizens Wellness Center Lot Mortgage) ("Wellness Center Lot Mortgaged Property", and together with the Citizens Wellness Center Mortgage, the "Citizens Wellness Center Mortgages") dated March 7, 2017 in the maximum principal amount of $2,100,000.00, and recorded in the Clerk's Office on March 16, 2017 as Control No. 570743488 (the "Citizens Wellness Center Lot Mortgage"), (c) to DASNY, as "Mortgagee," a certain mortgage on the Castle Mortgaged Parcel dated March 29, 2017 in the maximum principal amount of $10,000,000.00, and recorded in the Clerk's Office on April 12, 2017 as Control No. 571003113, which mortgage was assigned to Citizens pursuant to that certain Collateral Assignment of Mortgage dated as of March 29, 2017, and recorded in the Clerk's Office on April 12, 2017 as Control No. 571003155 (as so assigned, the "Citizens Castle First Mortgage"), (d) to

DASNY, as "Mortgagee," a certain mortgage on the Castle Mortgaged Parcel dated November 17, 2017 in the maximum principal amount of $15,000,000.00, and recorded in the Clerk's Office on December 15, 2017 as Control No. 573483352, (the "Citizens Castle Second Mortgage" and, together with the Citizens Castle First Mortgage, the "Citizens Castle Mortgages"). By letter dated July 18, 2019, Citizens notified the Debtor of Events of Default occurring under the Reimbursement Agreement. On July 25, 2018, The Bank of New York Mellon as Trustee of the 2008 Bonds drew on the Letter of Credit for the mandatory tender of the 2008 Bonds and as a result the 2008 Bonds are now held by Citizens.

(b) The Carney Family Charitable Foundation- The Debtor entered into a Revolving Loan Agreement with Carney as of December 30, 2016 and a Revolving Note dated December 30, 2016 in the amount of $2,000,000. The Debtor entered into First Amendment to Revolving Loan Agreement and Amended and Restated Revolving Note both dated December 21, 2018. The Debtor executed a Mortgage and Security Agreement (the "Carney Mortgage") and an Assignment of Leases and Rents in connection with that obligation dated December 30, 2016 both of which were amended by a First Amendment to Mortgage and Security Agreement and First Amendment to Assignment of Leases and Rents dated December 21, 2018 (the "Carney Loan").

(c) KeyBank, N.A.- The Debtor is obligated to KeyBank pursuant to, among other things, (i) that certain Amended and Restated Secured Promissory Note in the original principal amount of $6,000,000.00 dated as of December 26, 2016 made by Debtor in favor of KeyBank, as modified by that certain Loan Modification Agreement dated as of November 17, 2017 (the "November 2017 Modification Agreement") by and between the Debtor and KeyBank (as so modified, and as the same may hereafter be amended, restated, renewed, replaced, supplemented or otherwise modified from time to time, the "KeyBank Note" or the "KeyBank Loan"); and (ii) that certain Loan Agreement dated as of December 26, 2016 by and between Debtor, as "Borrower," and KeyBank, as "Lender," as modified by the November 2017 Modification Agreement (as so modified, and as the same may hereafter be amended, restated, renewed, replaced, supplemented or otherwise modified from time to time, the "KeyBank Loan Agreement"). Further, to secure the due and punctual performance by the Debtor of all of the covenants and agreements contained in the KeyBank Note, the KeyBank Loan Agreement, the KeyBank Ursula hall mortgage (hereafter defined), the KeyBank Castle Parcel Mortgage (hereinafter defined), and any and all other documents evidencing, securing or otherwise relating to the KeyBank Loan (such other documents, each as the same may hereafter be amended, restated, renewed, replaced, supplemented or otherwise modified from time to time, being hereinafter collectively referred to as the "KeyBank Loan Documents"), the Debtor, as "Mortgagor," executed and delivered to KeyBank, as "Mortgagee," (a) that certain

Mortgage, Assignment of Rents and Leases, Security Agreement and Financing Statement dated as of December 26, 2016 made by the Debtor in favor of KeyBank in the original principal amount of $6,000,000.00, encumbering (i) that certain real property located and improvements thereon in the City of New Rochelle, County of Westchester, State of New York, designated as Tax Parcel No. 2-456-13 and a portion of Tax Parcel 2-423-1, (ii) all rights, privileges, easements and hereditaments relating or appertaining thereto, and (iii) all fixtures, equipment and other personal property related thereto to the extent that the Debtor has granted a lien on or security interest in such property under the KeyBank Ursula Hall Mortgage, and recorded in the Office of the County Clerk of Westchester County, NY (the "Clerk's Office") on January 6, 2017 as Control Number 570033671 (as the same may hereafter be amended, restated, renewed, replaced, supplement or otherwise modified from time to time, the "KeyBank Ursula Hall Mortgage"), and (b) that certain Collateral Mortgage, Assignment of Rents and Leases, Security Agreement and Financing Statement dated as of March 29, 2017 made by the Debtor in favor of KeyBank in the original principal amount of $3,000,000.00, encumbering (i) that certain real property and improvements thereon located in the City of New Rochelle, County of Westchester, State of New York, designated as a portion of Tax Parcel 2-423-1,as modified by that certain mortgage dated March 29, 2017 encumbering (a) that certain real property and improvements thereon located in the City of New Rochelle, County of Westchester, State of New York (ii) all rights, privileges, easements and hereditaments relating or appertaining thereto, and (iii) all fixtures, equipment and other personal property related thereto to the extent that the Debtor has granted a lien on or security interest in such property under the KeyBank Castle Parcel Mortgage, and recorded in the Clerk's on April 10, 2017 as Control No. 571003273, which mortgage was modified by the terms of that certain Mortgage Modification Agreement dated as of November 17, 2017, and recorded in the Clerk's Office on December 14, 2017 as Control No. 573483408 (as so modified, and as the same may hereafter be amended, restated, renewed, replaced, supplement or otherwise modified from time to time, the "KeyBank Castle Parcel Mortgage").

(d) New Rochelle Industrial Development Authority- NRIDA secured the Debtor's obligations under the City of New Rochelle Industrial Development Authority Civic Facility Revenue Bonds, College of New Rochelle Project, Series 1999 Bonds in the amount of $24,000,000 pursuant to a College Lease Agreement and Lease Agreement, each dated as of April 1, 1999 (the "NRIDA Lease Agreements"), which agreements were assigned to UMB Bank, as indenture trustee for the NRIDA Bonds pursuant to an Indenture of Trust dated as of April 1, 1999 (the "NRIDA Bonds"). As part of the NRIDA Lease Agreements, NRIDA holds a security interest in the Debtor's tuition revenues. NRIDA also holds a fee interest in certain real property associated with the Debtor's New Rochelle Campus pursuant to a deed dated as of August 11, 1992.

EXHIBIT "B"

(a) NYS Commissioner of Taxation and Finance- The NYS taxing authority filed a judgment lien with the Westchester County Supreme Court on May 2, 2018;

(b) NYS Department of Labor- The NYS Department of Labor filed a judgment lien with the Westchester County Supreme Court on December 27, 2018; and

(c) The Internal Revenue Service- The IRS filed liens with the New York Secretary of State on May 2, 2017.